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INFORMATION REPORT

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COUNTRY China

DATE DISTR. " NOA 28

SUBJECT 25X1 Communist Areas

Discontent Among Intellectuals and Workers in

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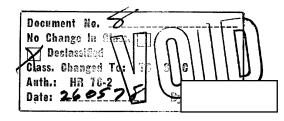
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- 1. Many Communist-trained students have deserted their posts as political workers and have come down to Canton and Hong Kong. These students were among those who welcomed the Communists in Nanking and Shanghai, attended Communist training schools, and were sent to Kiangsi and Hunan where they were used in establishing local administrations and in organizing peasant associations. They soon found, however, that they were not trusted by Party members, under whose close supervision they come. They also disagreed with the policy and tactics they were forced to follow.
- 2. Discontent among workers stems from considerable unemployment and from the declining economy of the rural areas. The Communists have placed party members in the government-owned factories. As workers, they propose resolutions increasing working hours from eight to twelve hours per day and lowering wages at the same time. Such proposals are forced through the workers' meetings on the grounds that since the workers now own the factories, they should work harder, and since Communist soldiers risk their lives for little pay, the workers should accept a pay cut. As a result, silent opposition among the workers is spreading rapidly.
- 3. The establishment of the formal government by the Chinese Communists will represent the climax of their power. From then on they will be faced with over-increasing difficulties stemming from an increased burden of administration and finance and from growing discontent and opposition.





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